

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:)	
)	
J & S CONCEPTS LLC;)	Case No: 3:24-bk-00066
PARTY FOWL COOL SPRINGS LLC;)	
PARTY FOWL DESTIN LLC;)	Chapter 11, Subchapter V
PARTY FOWL DONELSON LLC;)	Judge Randal S. Mashburn
PARTY FOWL HAMILTON PLACE LLC;)	
PARTY FOWL MURFREESBORO LLC;)	(Jointly Administered) ¹
)	
Debtors.)	

SMALL BUSINESS SUBCHAPTER V STATUS CONFERENCE REPORT

Pursuant to 11 U.S.C. § 1188(c) and this Court’s *Order and Notice of Small Business Subchapter V Status Conference* (Docket No. 23), dated January 18, 2024, the above-referenced debtors in these jointly administered cases (“Party Fowl” or “Debtors”) submit this status report in connection with the upcoming Small Business Subchapter V Status Conference scheduled for March 5, 2024.

1. Nature and Background of the Business²:

Each Debtor operates a Nashville-style hot chicken restaurant under the Party Fowl brand. Each Party Fowl is a chef-driven full-service restaurant and bar with a laid back, party-style vibe and ample televisions for all sporting events. Party Fowl’s initial success upon its founding in 2014 drove expansion to a total of six locations, plus a licensed location in the Nashville International Airport and a location inside of Nissan Stadium. Each Party Fowl is owned by the team of Nick Jacobson and Austin Smith.

2. Locations of the Business; Number of Employees³:

J & S Concepts LLC d/b/a “Party Fowl” operates the Party Fowl Nashville location in the Gulch at 719 8th Avenue South, Nashville, Tennessee. It opened for business on September 28, 2014 and currently has 40-45 employees. Substantially all of the Debtors’ employees are hourly restaurant staff – including wait staff, kitchen staff, and bartenders – but each location does have a general manager.

¹ The Debtors’ respective tax identification numbers (last four digits) and case numbers are: J & S Concepts LLC, Tax ID No. 2361, at Case No. 24-0066; Party Fowl Cool Springs LLC, Tax ID No. 0522, at Case No. 24-0067; Party Fowl Destin LLC, Tax ID No. 4062, at Case No. 24-0068; Party Fowl Donelson LLC, Tax ID No. 4323, at Case No. 24-0069; Party Fowl Hamilton Place LLC, Tax ID No. 4514, at Case No. 24-0070; and Party Fowl Murfreesboro LLC, Tax ID No. 8304, at Case No. 24-0071. All filings except proofs of claim are to be filed in the lead case of J & S Concepts LLC. Proofs of claims shall be filed under the case number of the Debtor(s) alleged to owe the debt.

² Debtors incorporate by reference their joint *Company Profile* (Doc. No. 7).

³ Debtors incorporate by reference all payroll and employee information included in Debtors’ *Expedited Motion for Authorization to Pay Pre-Petition Wages and Benefits* (Doc. No. 10).

Party Fowl Murfreesboro opened on December 26, 2017 and is located at 127 SE Broad Street, Murfreesboro, Tennessee. Party Fowl Murfreesboro currently has 30-35 employees.

Party Fowl Donelson is located at 2620 Lebanon Pike, Nashville, Tennessee, with a corporate office for all Party Fowl locations located directly across the street. It opened for business on August 1, 2018 and has 60-65 employees, including all corporate employees (currently 4 total). Prior to 2023, corporate employee expenses were split between the Donelson and Nashville locations. The Debtors have resumed that split after commencing these cases.

Party Fowl Cool Springs operates near the Cool Springs Mall at 1914 Galleria Boulevard, Franklin, Tennessee. It opened for business on March 2, 2020 and currently has 40-45 employees.

Party Fowl Hamilton Place opened at 2100 Hamilton Place Boulevard #238 in Chattanooga, Tennessee on April 5, 2021. It currently has approximately 20 employees.

Party Fowl Destin is the newest Party Fowl, opening on March 25, 2022. It is located at 4260 Legendary Drive, Destin, Florida, and currently employs 10-15 individuals.

3. Ownership of the Business:

Each Party Fowl is owned by the team of Nick Jacobson and Austin Smith.

4. Primary Cause(s) of the Necessity to File Bankruptcy:

As described in the *Company Profile* filed in these cases, the Debtors expanded into locations that have yet to be profitable, had cash shortfalls arising from the COVID-19 pandemic, and took expensive merchant cash advance loans to try to remain afloat. The Debtors with cash helped to keep the other Debtors operating, either directly (cash infusions) or indirectly (paying for corporate operations, guaranteeing debts or contracts, etc.). The Debtors faced a real cash crunch and no material ability to attract necessary investment or lending absent the protections offered by the Bankruptcy Code.

5. General Information about the Nature of the Secured, Priority & Unsecured Debt⁴:

Secured: Subject to a determination pursuant to 11 U.S.C. § 506, Debtors identify the following material secured creditors:

J & S Concepts LLC – Studio Bank; Party Fowl Cool Springs LLC – ServisFirst Bank; Party Fowl Donelson LLC and Party Fowl Murfreesboro LLC – Regions Bank.

Various merchant lenders may purport to be secured, including Toast Capital (all Debtors excepting Murfreesboro and Donelson), Rewards Network (all Debtors excepting Nashville and Coop Springs), VOX (Nashville), and Unique Funding (Nashville). However, Debtors do not believe that any of these merchant lenders are perfected or have any collateral, such that they will be treated as unsecured creditors in these cases.

⁴ Debtors incorporate by reference the detail from each Debtor's *Schedules* and *Statements of Financial Affairs* filed on February 6, 2024, as well as all proofs of claim filed with respect to each Debtor.

Priority: Each Debtor owes past due taxes to the Tennessee Department of Revenue, generally comprised of Sales and Use Tax (SUTA) and Liquor by the Drink Tax (LBD).

Unsecured: Each Debtor has outstanding unsecured liability to various food and alcohol vendors, landlords, and other service providers.

6. Status of Employment of Professionals:

Dunham Hildebrand, PLLC has been engaged and authorized to represent the Debtors (Doc. No. 40). No other professionals have been employed by the estate yet, although an outside accounting firm and/or a Chief Restructuring Officer may be employed at a later date.

7. Status of Discussions with Trustee:

Debtor's counsel has had communications with Trustee Stone on Party Fowl's current operations, cash use history, and creating a forward-looking cash budget. The Trustee has been integral in helping to understand and clarify the Debtor's books and records and provide a path forward, including interfacing with potential providers of debtor-in-possession ("DIP") financing.

8. Status of Any Cash Collateral, Adequate Protection, or Stay Relief Issues:

Party Fowl's creditors have raised various questions regarding cash collateral and/or adequate protection, but none have sought any relief relating thereto. Debtors' position is that, given the nature of Debtors' business, no creditor has a lien on cash and, as such, no creditor is entitled to adequate protection. Debtors are not aware of any pending stay relief issues. Debtors have not yet filed any motions pertaining to assumption of any executory contracts, as all contracts are continuing to be assessed. Party Fowl Cool Springs, Party Fowl Hamilton Place, and Party Fowl Destin have yet to make post-petition rent payments.

9. Goals for Reorganization of the Debtor:

Party Fowl intends to use the Chapter 11 process to effect a true reorganization. These Chapter 11 cases will entail an internal reorganization whereby Party Fowl, among other things, will continue to identify areas where expense reduction or consolidation is appropriate, which locations are viable and which need to be moved or closed, and as an opportunity to bring in additional leadership. This Chapter 11 will also entail an external reorganization whereby Party Fowl will satisfy its secured and unsecured debt obligations through modifications that are economically satisfactory to all parties in interest and enable Party Fowl to remain in operations through the seasonality of the restaurant industry.

10. Financial Projections for Upcoming Six-Month Period and Reasons for Any Significant Variation from Historical Performance:

The Debtors have worked with the office of Trustee Stone to generate a working 13-week cash budget that will be submitted as part of the Debtors' upcoming motion for authority to incur post-petition DIP financing. The Debtors are continuing to work on a financial model that expands past that 13-week period given the uncertainties in the Debtors' future decisions, decisionmakers, as well as traditional seasonal fluctuations. The Debtors anticipate continuing to make operations more efficient and capture additional revenues over the coming months.

11. Efforts Taken and Status of Achieving a Consensual Plan:

The Debtors anticipate proposing a joint plan of reorganization that its senior secured creditors will find acceptable to their economic interests. With respect to the unsecured and underscored claimants, the Debtors submit that any plan will provide significantly more favorable treatment that would be available under a liquidation or any other circumstance. Accordingly, the Debtors anticipates that their unsecured creditors will find the plan economically rational, especially when compared to alternatives of the Debtors not obtaining plan confirmation, losing their liquor and business licenses, and going out of business. Counsel for Debtors has been in constant communication with any and all interested creditors and constituencies in this case.

12. Whether There Is Any Need to File a Separate Disclosure Statement:

The Debtors believe there is no need to file separate disclosure statement and that a plan combined with disclosures will provide adequate and requisite information needed in this case and a proposed reorganization.

13. Whether There Is Any Need to Expand the Proof of Claim Deadline (Automatically Set at 60 Days from Petition Date):

Party Fowl does not believe there is a need to extend the proof of claim deadline.

14. Any Other Pertinent Information that Should Be Brought to the Court's Attention:

The Debtors presently anticipate requesting an extension of the deadlines within which to propose and obtain a confirmed Chapter 11 Plan in these cases by at least 45 days to enable the Debtors to make more informed projections about their future operations in conjunction with DIP financing and any Chief Restructuring Officer required thereby.

Respectfully Submitted,

/s/ R. Alex Payne
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CERTIFICATE OF SERVICE

I hereby certify that on February 20, 2024, a copy of the foregoing was served via the Court's CM/ECF system on all parties who have registered for electronic service in this case.

/s/ R. Alex Payne _____
R. Alex Payne